United Nations A/66/7/Add.5

General Assembly

Distr.: General
20 October 2011

Original: English

Sixty-sixth session
Agenda item 134
Proposed programme budget for the biennium 2012-2013

Section 13, International Trade Centre

Sixth report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 2012-2013

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the proposed programme budget of the International Trade Centre (ITC) for the biennium 2012-2013 (A/66/6 (Sect. 13)/Add.1). During its consideration of the report, the Committee met with the Executive Director of ITC and with other representatives of ITC and of the Secretary-General.

2. Pursuant to the arrangements set out in General Assembly resolution 59/276, a simplified budget fascicle was submitted in document A/66/6 (Sect. 13) with a preliminary estimate to accommodate the programme of activities of ITC for the biennium 2012-2013. In its first report on the proposed programme budget for the biennium 2012-2013, the Advisory Committee recommended that, without prejudice to its consideration of the detailed proposed programme budget for ITC for the biennium 2012-2013, the General Assembly take note of the resources proposed in the preliminary budget estimate (A/66/7, chap. II, para. IV.50).

3. Information on the estimated resource requirements and projected income of ITC for the biennium 2012-2013 is provided in table 13.4 of the budget document (A/66/6 (Sect. 13)/Add.1). The budget is to be funded equally by the United Nations, acting through the United Nations Conference on Trade and Development (UNCTAD), and the World Trade Organization (WTO), the two parent organizations of ITC.

4. The overall resources required for the biennium 2012-2013 for section 13 amount to SwF 74,679,600 before recosting, representing an increase of SwF 1,081,900, or 1.5 per cent, compared with the biennium 2010-2011. The proposed resources are partially offset by a projected income for the biennium of SwF 500,000 leaving a net amount of SwF 74,179,600 to be shared equally between WTO and the United Nations.

11-55794 (E) 251011

Please recycle

5. The proposed overall requirements of SwF 74,679,600 (A/66/6 (Sect. 13)/Add.1, table 13.7) would comprise:

(a) An amount of SwF 58,646,900 under post resources for 164 posts (93 Professional and 71 General Service), reflecting a net increase of SwF 1,683,600 resulting from the delayed impact of eight Professional posts (1 D-1, 2 P-5, 3 P-4 and 2 P-2) approved for the biennium 2010-2011 and the proposed conversion to established posts of two positions previously funded under general temporary assistance (1 P-4 and 1 P-2), offset in part by a decrease under general temporary assistance corresponding to the two positions proposed for conversion to established posts (A/66/6 (Sect. 13)/Add.1, para. 13.20 (a));

(b) An amount of SwF 16,032,700, under non-post requirements, for operational requirements, reflecting a decrease of SwF 601,700 for the two positions funded under general temporary assistance proposed for conversion to established posts (A/66/6 (Sect. 13)/Add.1, para. 13.20 (b)).

6. The regular budget resources for the biennium would be supplemented by extrabudgetary resources amounting to approximately $88,957,100, equivalent to SwF 96,518,500. This represents an increase of approximately 8 per cent of the total extrabudgetary resources available for the biennium 2010-2011. A total number of 20 posts, funded from programme support costs of extrabudgetary funds, is proposed.

Comments and recommendations on posts

7. The Secretary-General indicates that, at its sixty-fourth session, the General Assembly approved funding for two functions on a temporary basis. It is further indicated that the duties and responsibilities of the two positions have been deemed to be of a continuous nature, hence the proposal to convert them to established posts (A/66/6 (Sect. 13)/Add.1, para. 13.21). The two positions and the related functions are: one P-2, Associate Graphic Designer, in the Communications and Events Section of the Office of the Executive Director; and one P-4, Senior Programme Officer in the Trade Institutions Strengthening Section of the Division of Business and Institutional Support.

Associate Graphic Designer, P-2

8. In paragraph 13.21 (a) of the report, the Secretary-General indicates that having a permanent in-house graphic designer has greatly increased the ability to ensure that the delivery of ITC global goods overcomes language and technology literacy issues. He adds that having a full-time staff member for the function is more cost-effective than outsourcing, eliminates delivery delays, economizes the time of ITC substantive staff and builds internal capacity.

9. Upon enquiry, the Advisory Committee was informed that the graphic designer carries out a critical function in supporting the delivery of trade-related technical assistance by providing clear and consistent communications, including materials that provide a broad and consistent understanding of the overall range of ITC products. It is further indicated that an in-house graphic designer brings a level of consistency to ongoing and continually evolving projects, as the bulk of the work is to serve clients of long-term trade-related technical assistance outputs. The graphic designer's skills are specialized and cannot be performed by other staff members,

while outsourcing carries direct and indirect costs that outweigh its benefits. The Committee was informed that, based on past experience with outsourcing, there was no central control of the graphic work provided by the consultants and the visual identity and corporate image were applied inconsistently, resulting in fragmented communication and incoherent use of visual clues. The Committee was provided with a comparison between outsourced and in-house graphic design services, based on ITC experience, which is included in the annex to the present document.

10. The Advisory Committee was informed that, during the 2010-2011 biennium, the workload of the incumbent had warranted the services of a full-time staff member for the delivery of corporate materials such as ITC publication *Market Access, Transparency and Fairness in Global Trade*,[1] and graphic and design support to such key strategic initiatives as the programmes relating to "Women and trade" and "Poor communities and trade". The Committee was further informed that, during the year 2012, the incumbent would be expected to design one flagship book and covers for 10 books, 15-25 trade-related technical assistance fact sheets, flyers and brochures, three event report booklets, designs for 5-10 banners at ITC events, 2-5 product catalogues and 3-5 website adaptations, as well as corporate reports, presentation templates for two joint programmes and other conference materials.

11. **Based on the additional information and justification provided, the Advisory Committee recommends approval of the proposal of the Secretary-General to convert the temporary position of Associate Graphic Designer (P-2) to an established post.**

Senior Programme Officer, P-4

12. In paragraph 13.21 (b), the Secretary-General indicates that the overall intent of the post is to strengthen the capacities of local trade support institutions to improve their business practices and performance measurement in an efficient and effective manner, as well as their ability to demonstrate results and impact to their clients, stakeholders and Governments. It is further explained that benchmarking is an ongoing commitment both for ITC and the trade support institutions, with the aim of establishing a wide network of strong trade support institutions, identified as ITC multipliers in the field through the concept of "One to one to many", and that this approach to benchmarking will provide a consistent, defined set of characteristics that allows comparison among trade support institutions.

13. The Advisory Committee was also informed that the Joint Advisory Group, the main intergovernmental policymaking organ of ITC, at its forty-fourth session, had expressed support for the development and implementation of the specific benchmarking approach for trade support institutions, and for the proposal to convert a temporary position in this area to a regular post. Furthermore, the Committee was informed that the strategy to build the capacities of trade support institutions did not overlap with the functions of the existing P-4 posts.

14. **The Advisory Committee remains of the view that there may not be a continuing need for the functions of the post once the benchmarking scheme is established. Therefore the Committee recommends that the function continue to be funded through general temporary assistance at this stage.**

[1] International Trade Centre, *Market Access, Transparency and Fairness in Global Trade: Export Impact for Good 2010* (United Nations publication, Sales No. E.11.III.T.1).

General comments and observations

15. The Advisory Committee recalls its earlier comments with regard to the presentation of the budget document for ITC and the need for greater focus on the quantification of outputs and the definition of clear indicators of achievement (A/64/7/Add.10, para. 6). In this connection, the Committee was informed that ITC was continuing to implement results-based management. It had initiated a review of its performance indicators and there was an ongoing effort to achieve results-based management compliance in the formulation of outputs and outcomes for all new projects. In this regard, the Committee notes the establishment of the Strategic Planning, Performance and Governance Group in the Office of the Executive Director, and the Project Quality Assurance Group, which reviews all project documents (A/66/6 (Sect. 13)/Add.1, para. 13.16). **The Advisory Committee welcomes this development and encourages ITC to continue working towards full implementation of results-based management and results-based budgeting.**

16. The Advisory Committee was informed that regular budget resources, in addition to providing executive direction and programme support, were primarily devoted to the management and backstopping of technical assistance projects. The Committee was further informed that since 2008, the delivery of trade-related technical assistance had grown by 23 per cent and that the target for 2011 was an additional 10 per cent, from $40 million to $44 million. The International Trade Centre had surpassed its target of spending 50 per cent of its extrabudgetary funds for the benefit of least developed countries, landlocked developing countries, small island developing States and sub-Saharan Africa. In that regard, the Committee noted that at least 40 per cent of the Centre's total extrabudgetary resources would continue to be devoted to technical assistance in Africa.

17. With regard to efficiency measures, the Advisory Committee was informed upon enquiry that measures implemented included the use of energy-efficient light bulbs, the renovation of lifts and window shutters and briefings to staff members on energy-efficient approaches to heating and cooling. It was indicated that the expected savings in 2012-2013 from the implementation of the above measures in 2011 was approximately SwF 40,000, from a reduction of 158,000 kWh of energy, equivalent to 25 tons of carbon dioxide emissions. Additional measures implemented included a reduction in overall internal printing costs through a managed printing service, which has reduced the need for high-volume colour printers; the negotiation of corporate airfare rates at an estimated saving of SwF 473,000, compared with rates published by the International Air Transport Association; and the reduction of information technology equipment overheads through better and more rationalized use of existing resources. **The Advisory Committee welcomes the initiatives taken and progress achieved so far by ITC and encourages continued efforts to identify further efficiencies.**

Annex

Comparison between outsourced and in-house graphic design services

Category	*Outsourced graphic design services*	*In-house graphic designer*
Costs	– €800/day[a]	– $500/day (P-2)
	– Hidden cost: in-house staff time required to brief, check and clear visual materials designed by external consultants (staff can hire a different consultant for each project)	
	– Hidden cost: time required to follow up on final artwork files	
Efficiency	– Not always available on demand	– Always available and operational for ordinary and/or short-term requests
	Most frequently:	– Always aware of issues related to the work of the International Trade Centre (ITC)
	– Time required to identify qualified and available consultant/staff member from a vendor	– When dealing with small requests for project-related materials, can offer templates and previously developed in-house design solutions
	– Time required to recruit consultant	– Can guarantee quick turnaround of small updates of materials previously designed externally (avoiding the time and paperwork for contracting in case of small changes)
	– Time required to brief consultant on ITC visual identity, messaging and technical work	
	– Time required to provide feedback to consultant and ensure final materials are in line with ITC visual identity and communication priorities	
Effectiveness	– Inconsistent implementation of ITC visual identity	– Consistent messaging and interpretation of ITC offering
	– Fragmented visual communication of the organization	
Institutional memory	– No institutionalized learning, as information is fragmented with consultants/vendors	– All files kept in-house and consistently produced with the same software
	– More difficult to get final files of artworks, produced with different software	– Liaises with outsourced project-related consultants to ensure correct application of ITC visual identity and messaging

[a] Price from an ITC systems contract for strategic communications services.